

Vision 2020 FiscalResourcesTaskGroup
May 21, 2015 730PM
Assessor's Office
Town Hall, 730 Massachusetts Avenue

Agenda

1 - Greetings/Introductions

2 - Commercial assessment process discussion with Arlington's Assessor Paul Tierney

Note: Attached letter and associated figures to provide the framework for the our discussions

3 - New business .. June meeting preparation .. Future project ideas/focus

4 - Next meeting



Fiscal Resources Task Group
March 2015

Mr. Paul Tierney
Director of Assessments
730 Massachusetts Avenue
Arlington, MA 02476

Dear Paul,

Thank you for providing us with a file containing the public assessment information for properties abutting Mass Ave and Broadway, including your kind conversion from acreage to square footage therein.

Our original interest in these materials developed when we considered the disproportionate increase in residential assessments compared to commercial assessments over recent years (Figure 1). Since our task group is chartered to review and monitor the Town Goals of financial equity and financial transparency, we thought perhaps this disproportionate increase for residential properties might indicate inequity in assessment process and/or procedures.

We are not only concerned with possibility that commercial properties are undervalued, but further that such undervaluation might provide owners with a disincentive to develop property to its best use, highest value; thereby depriving our community of both badly needed services and the associated tax revenues.

The following series of charts show what we have found during our examination of the data you kindly provided.

Figure 2 shows land value per square foot (Specific Land Value, SLV) for both commercial and residential parcels on Mass Ave and Broadway. There seems to be no significant difference between the two sets of data.

Figure 2 has 12 parcels with no street number. Where are they located?

Figure 2 does not include the 37 parcels that have no land value listed. Most of these are condos. We understand that the value of the land is included in the value of the apartment. This would appear to lack transparency and we wonder whether this is appropriate. Clarification is requested.

Figure 3 shows that the average SLV has no obvious trend from one end to the other. However the SLV shows large variations between neighboring parcels. One would expect SLV to depend mostly on location. What accounts for these variations?

Figure 3 would also appear to indicate a common maximum of 75 \$/sq ft land valuation. Can you explain where this comes from and why there is a limit?

Figure 4 is a frequency distribution of the SLVs. This analysis reveals a 'tri-modal' distribution. At face value this appears to be incongruent with the 'fair and equal assessment at full market value' principles which are supposed to guide the valuation/assessment of land. Clarification is requested.

Figure 5 shows parcel land value vs parcel area. As we would expect, this is mostly a straight line. But there is something else going on with the smaller parcels and a number of parcels that are off the curve. Clarification is requested.

Finally, Figure 6 shows SLV vs parcel area. The 75 \$/sq ft limit is associated with the smallest parcels followed by a curving decrease that becomes a constant value of \$25/sq ft. Our interpretation is that this means that SLV is a function of land area. Clarification is requested.

We look forward to hearing from you and invite you to attend our next meeting on Thursday March 19th [7:30 PM Senior Center] to discuss these matters in greater detail as that might provide the best and easiest way toward resolving our concerns.

Thank you again for your kind assistance with these matters.

Sincerely yours,



Gordon Jamieson
Co-Chair



David Garbarino
Co-Chair

CC
Bob Greeley
Kevin Feeley
Mary Winstanley-O'Connor
V2020 SC Chair, Juli Brazile

Year	Residential Revenue	CIP Revenue	Total	Year	
1994	39,039,697	4,040,842	43,080,540	1994	Operating Override
1995	41,148,969	4,194,748	45,343,717	1995	
1996	42,346,832	4,239,822	46,586,654	1996	
1997	43,768,608	4,317,971	48,086,578	1997	
1998	45,170,532	4,268,535	49,439,067	1998	
1999	47,958,911	4,483,708	52,442,620	1999	
2000	49,385,336	4,711,734	54,097,070	2000	
2001	51,869,183	3,968,659	55,837,843	2001	
2002	54,980,457	4,117,275	59,097,732	2002	
2003	56,962,049	4,284,796	61,246,845	2003	
2004	59,880,691	3,859,449	63,740,140	2004	
2005	61,820,467	3,899,503	65,719,970	2005	
2006	69,428,973	4,096,828	73,525,801	2006	Operating Override
2007	72,656,089	4,122,262	76,778,351	2007	
2008	74,394,576	4,418,800	78,813,376	2008	
2009	76,075,616	4,870,391	80,946,007	2009	
2010	78,508,301	4,962,735	83,471,036	2010	
2011	80,795,883	5,163,091	85,958,974	2011	
2012	89,256,859	5,745,635	95,002,494	2012	Operating Override
2013	91,871,446	6,137,935	98,009,381	2013	
2014	95,492,251	6,245,259	101,737,510	2014	

Increase (\$\$ and %) since 1994

	Residential		CIP		Total
\$	56,452,554	\$	2,204,417	\$	58,656,970
	145%		55%		136%

Figure 1

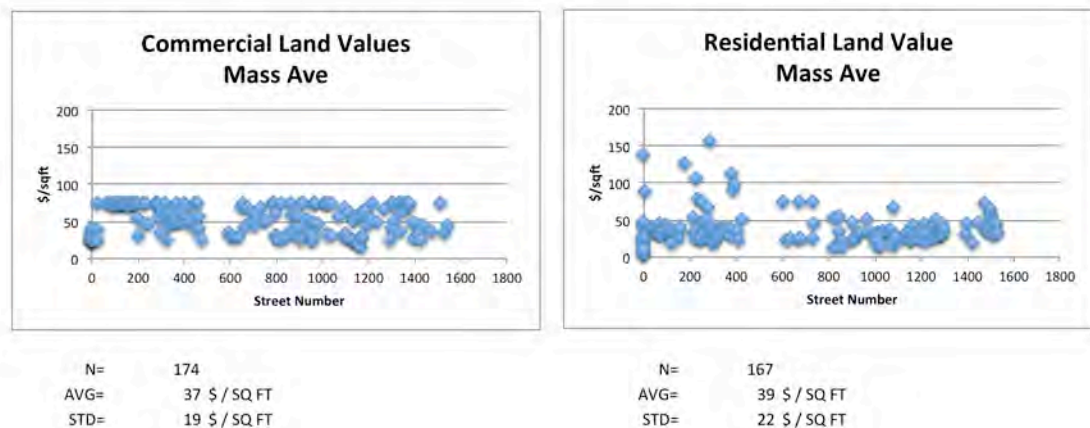


Figure 2

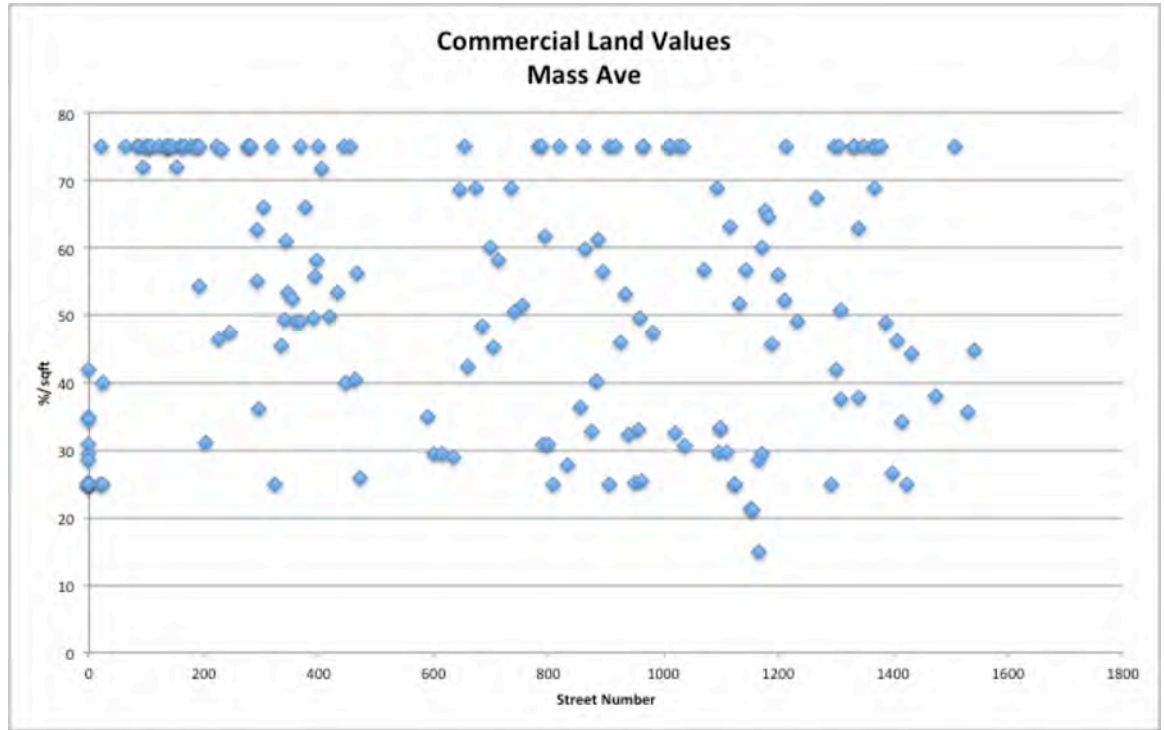


Figure 3

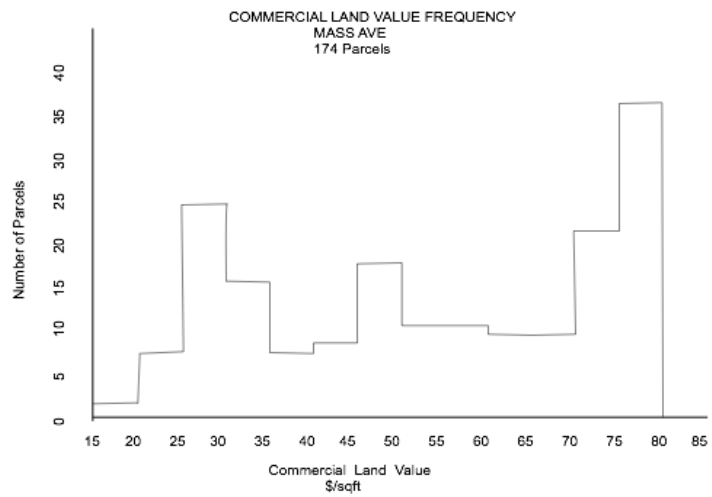


Figure 4

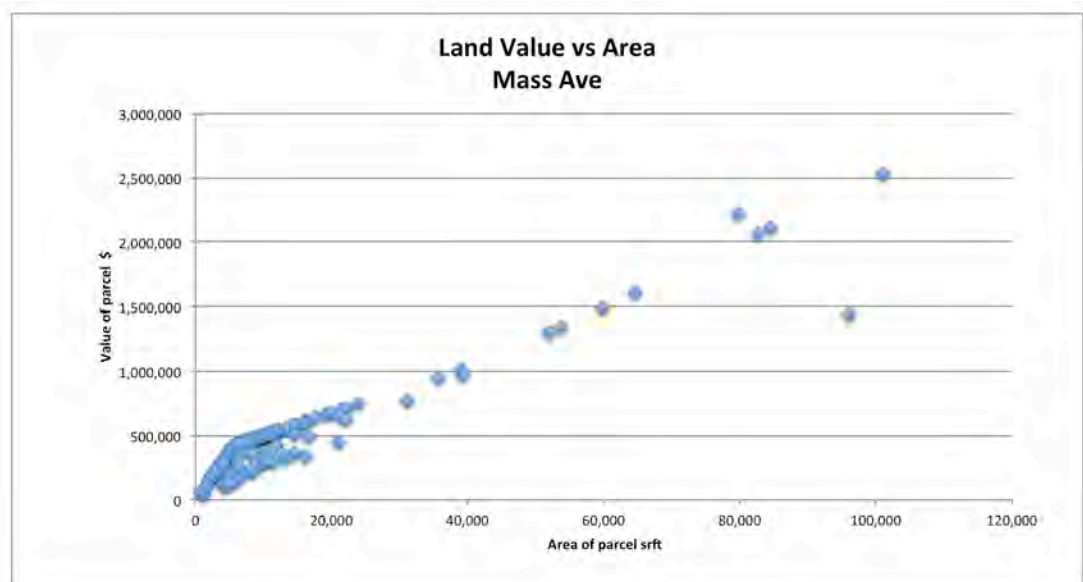


Figure 5

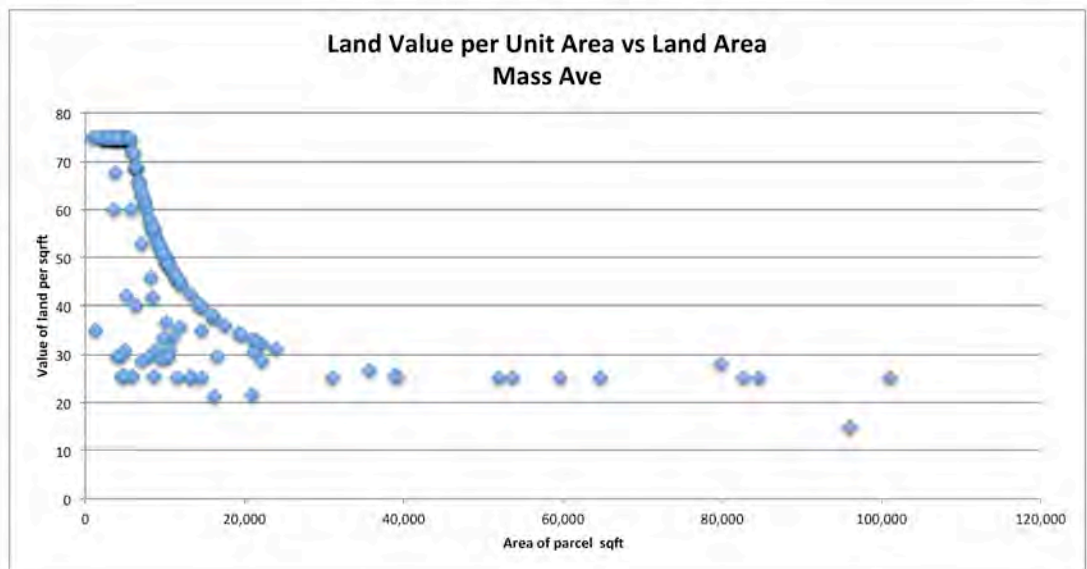


Figure 6

Question Summary

Q1	Where are the 12 parcels that do not have street numbers located?
Q2	Is listing a condo without land legal? If so, why?
Q3	Why do the SLVs vary so much between neighboring parcels?
Q4	Where does the \$75/sqft maximum value of SLV come from?
Q5	Why are there large peaks in the SLC frequency distribution?
Q6	Please explain the non-linear relation between land value and land area?
Q7	Why is SLV a complicated function of land area?

Figure 7